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Cilmi Presses for New Impact Assessment Fee Structure

Having met with insurmountable opposition to an earlier bill to eliminate so-called "Impact Assessment Fees," Legislator Tom Cilmi (R-East Islip), would not be deterred. He went to work on a compromise bill, this time including the County's Department of Public Works in the process. What he came up with, he says, will make the County's building permit fee structure more "affordable, predictable and transparent."

When new building projects or expansions are proposed on a Suffolk County roadway, the County, in addition to specific site improvements, requires what's typically referred to as Impact Assessment Fees. These arbitrary fees are supposed to account for increased traffic impacts to County infrastructure outside the bounds of the planned site. The County uses these fees to help fund improvements such as road expansions, new traffic signals or crosswalks, which may or may not be directly related to the proposed project.

"These fees can add thousands of dollars to even the smallest of projects. What's worse," Cilmi says, "is that sometimes, through no fault of the County, a builder may not be aware of these fees until after a project's been budgeted, and sometimes not until after building has begun. As a result, projects can stall or fail altogether as funding runs out."

Such is the case with Great South Bay Brewery, a project that had begun in Cilmi's district on Union Boulevard in Bay Shore, but was abandoned midway through as the business owner encountered tens of thousands of dollars of unbudgeted expenses. That left the business owner looking for another site, having spent close to \$300,000 on renovations. It also left the landowner with partially torn down and partially reconstructed buildings on a vacant site. Cilmi said it didn't have to be.

"We determined that we could not eliminate these fees altogether," said Cilmi, "but we needed to find a way to make them more affordable and more predictable so that business owners can plan accordingly. This new structure does just that. This way, at least builders know up front what the fees are going to be; and for the vast majority of applications, particularly the smallest of businesses, they will be much less expensive. That's great for business."

Cilmi said he worked closely with County Executive Steve Bellone and Mitch Pally, CEO of the Long Island Builders Institute, on finding a workable compromise.

"The Long Island Builders Institute is proud to have been able to work with Legislator Cilmi to provide much needed financial relief for businesses which are looking to locate or expand in Suffolk County," said Mitchell Pally, Chief Executive Officer of LIBI. "We believe that this legislation to reduce such fees and make them more transparent will allow many businesses to call Suffolk County home and provide new jobs for our residents. We look forward to approval of this legislation by the County Legislature and County Executive as soon as possible."

"I support this pro-economic development legislation to encourage businesses to create jobs in Suffolk County," Suffolk County Executive Steve Bellone said. "I am pleased to work in a bipartisan manner with Legislator Cilmi to make sure that when we charge impact fees that we do so in a fair, predictable way. This is a common-sense measure that is fair to business and taxpayers, and I support its passage."

Cilmi concluded, "Assessing arbitrary impact fees on the County's small business owners, especially in their nascent stages, is killing jobs. As I always say, 'the best way for government to create jobs is to stop preventing them.' I am hopeful that with the support of County Executive Bellone, we are taking another big step towards making Suffolk County more business-friendly."

The legislation will be before the Legislature's Public Works and Transportation Committee on Tuesday, June 11, 2013 at 2:00 PM.